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Ontario Commission on
Unemployment

Interim report.

July 20th, 1915

Toronto

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ONTARIO COMMISSION

ON

UNEMPLOYMENT

INTERIM REPORT

JULY 20th, 1915

PRINTED BY ORDER OF
THE LEGISLATIVE ASSEMBLY OF ONTARIO



TORONTO:

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ONTARIO COMMISSION ON UNEMPLOYMENT

This report contains proposals for reducing unemployment, through organization of the Labour Market. To this end the Department of Labour, which it is proposed to establish, will co-operate with the Department of Education, and with all workmen's societies which choose to make use of its services. It should be observed that the programme is in no sense a complete one, but will be supplemented later by recommendations on other important phases of the problem. The complete report will be published together with a volume of evidence.

PART I.

PUBLIC EMPLOYMENT AGENCIES.

The Ontario Commission on Unemployment have unanimously agreed that some form of public employment office should be established by the State to replace the system now in operation in Ontario, which is in urgent need of being modernized and made efficient.

The organization of industry is now so far-reaching and the demand for labour so fluctuating that the individual workman, however able, willing and skilled he may be, may not succeed in finding employment at the work he can do best, although employment might be available if the labour market were properly organized. It is evident that the worker should not be required longer to bear the burden of finding a job by his own unaided efforts. Immigrants trained in agriculture come into the cities and towns with the raw material of common labour. An increasing number of women seek industrial employment, but for the most part without direction. What has been done to regulate the labour market, or to gain real knowledge concerning it, has been sporadic and inadequate.

The private employment agencies, managed on a commercial basis, have not yielded desirable results, but on the contrary their activities have caused many manifest abuses. They have dealt chiefly with unskilled labour and are as a rule avoided by skilled workmen. They are not in touch with managers of skilled trades and are not recognized by them. Thus they have been able to render only a negligible service to the community at a cost to the unemployed out of all proportion to what they have accomplished.

The existing Government Labour Exchanges were established before the work they were called upon to do was properly understood. Whatever may have been the value of their work, changing industrial conditions require an extension and reorganization of the system. Out of the existing condition of affairs, there can be but one result. The unemployed bear the burden of the resulting disorganization. They pay agency fees, car fare to various places of prospective employment, and they waste their vitality and time in wearying efforts day after day to find work, which a central clearing house could have told them either did or did not exist. On the other hand, industries bear the burden of handling misfits and the losses consequent upon a shifting or inadequate force of workmen.

OBJECTS TO BE SECURED.

The following are some of the services which can, and, in the opinion of your Commission, which should be rendered to the workmen of Ontario:—

1. Through a central employment office they should be put in touch with all positions open in each particular trade in their own municipality and elsewhere in the Province.

2. If there are no openings at the time in the workman's own trade, he should be informed of alternative positions that are available, in his own municipality and, if necessary, elsewhere.

3. The workman should be kept in touch with by the employment office so that he may re-enter his own trade as soon as opportunity offers.

4. If his own trade is overcrowded or stagnant, he should be given such information as will guide him wisely in the selection of another occupation where opportunity of steady employment is more probable.

5. Everything necessary should be done by the employment office to ensure his getting employment when he presents himself at the workshop, thus preventing waste of time and vitality with consequent loss to himself and his family.

6. It is essential also that the employment office should furnish such information and advice as will assist in the selection of the right kind of occupation for children.

"There should be in every community a central point to which the child could turn to learn all about industries, all about opportunities in staple trades and new lines of business, to know which were decaying, overcrowded or 'blind-alley' trades, and what vocation was best suited to its education, temperament and qualifications. Thus to save the child from misdirection would cut off the source of supply to the great stream of casual workers which continually swells the ranks of the unemployed,"*

7. The office should devote part of its activity to the problem of employment for old men, who although of serviceability and character, are often needlessly left without work, and to problems of like character in which various handicaps impose hardship upon otherwise employable men and women.

8. The employment office should also devise some effective method of separating the shirkers from those who want work, so that compulsory labour may be provided for the tramp and loafer, and the burden at present imposed upon charitable agencies measurably lessened.

9. The causes, personal and industrial, contributing to unemployment can be studied constructively, only in connection with employment offices under Government control, which alone can secure the information and data necessary.

10. An important service would be to lessen the industrial unrest which often is the result of an inadequate annual income arising from irregularity of employment, although the wage rate per hour apparently may be ample. The greater regularity of employment and certainty of earnings which should result from efficiently conducted offices would remove one of the admitted weaknesses of our existing industrial system.

Your Commission is convinced that nothing but a properly constituted State Employment Bureau can make the above plans and policies effective.

*Charles B. Barnes, Director, New York State Bureau of Employment, in "The American Industrial Opportunity."

THE PROTECTION OF IMMIGRANTS.

Another equally indispensable service can be rendered in connection with immigrants. These people are frequently imposed upon by private labour agencies, and the need of direction, guidance and advice in their case is most important.

Our present methods of dealing with them are exceedingly faulty. The Government through the Employment Offices recommended, could render invaluable services and make up in a large measure for present deficiencies. There is need, for example, of providing them, through Government bulletins, with information in their own language; so that they may be correctly informed of work, wages and opportunities in this country. Something too, should be done to inform them as to their duties and privileges as Canadian citizens.

In many cases, immigrants could be directed to the land, where they would be of the best service to themselves and to the country. This is now being done with no small degree of efficiency, but unquestionably with more thorough organization, and the co-operation of the different Departments concerned, the industrial communities could be relieved of many people who have had agricultural training in the countries from which they come, but who through lack of means or lack of knowledge seem unable to find places on the land in Ontario.

ORGANIZATION BY THE PROVINCE.

It has been represented to your Commission that reserves of labour are inseparable from industry. If so, it is the duty of the State to keep such reserves as low as possible, and by co-operating with employers of labour to improve the existing methods of caring for such reserves as are really necessary.

Your Commission have considered carefully the relative advantages and merits of Municipal, Provincial and Federal Employment Bureaux. Their conclusion is that, all things considered, the establishment of a Provincial System of Employment Offices would be the most effective method of dealing with the immediate situation.

It is recognized that such offices cannot create new work, but if efficiently conducted, they will prevent an enormous waste of energy on the part of workmen, and more speedily ensure for employers a dependable supply of labour, Experience wherever such Bureaux are in operation confirms their practicability and usefulness. We do not recommend a too extensive or complicated system. On the contrary, we strongly advise the establishment only of the nucleus of such a system, under conditions which will permit it to be conducted with ability and success.

The system proposed can be extended as its usefulness and desirability are proved. It should be borne in mind that in the future the problems of immigration and employment will be more pressing and serious than they are to-day. It is the judgment of your Commission that no other organization can supply such data and information concerning the whole field of labour and industry as will enable the Government to act with wisdom, decision and definiteness, in dealing with the pressing industrial problems of the day.

In this connection, we would emphasize the importance of securing as Deputy Minister a man of unquestioned competency and equipment. He should understand the technical principles involved in the business of the Bureau, and should

be a capable manager. The results to be obtained largely depend upon his qualifications for the position.

One of the advantages that a State Bureau has over private agencies is its power to centralize information and to co-operate with the spending departments of the municipalities as well as the Provincial and Federal Governments. The problem of unemployment is so great that it is necessary to link-up all large avenues of employment with agencies furnishing reliable data concerning the labour market. By this means expenditure upon necessary public works may be made to compensate for industrial depression; the evils of seasonal distress may be measurably lessened and the large surplus of labour intermittently employed, for instance in harvesting, may be absorbed without the existing disorganization. By the co-operation of Province with Province, through wise leadership, and of the Provinces with the Dominion, much may be done to prevent the otherwise unavoidable recurrence of labour crises, and to deal helpfully with such crises when they do arise.

Ultimately, perhaps, a system of Provincial Employment Offices might develop into a Federal System covering the whole country, exercising an intelligent judgment upon problems of immigration and wisely assisting to distribute labour as changing industrial conditions demand. Moreover, wisely officered, such an organization might gradually take on new duties and obligations and become an invaluable social, benevolent and educational influence in every community.

RECOMMENDATIONS DEALING WITH EMPLOYMENT BUREAUX.

Your Commissioners, therefore, respectfully recommend:—

1. That a Provincial Department of Labour be created either as a separate, or in connection with an existing Department of the Government.

2. That a Provincial System of Employment Offices be established in seven urban centres:—

Ottawa, Belleville or Kingston, Toronto, Hamilton, London, North Bay, Port Arthur or Fort William, and that this be extended, subsequently, as required, to include other important industrial centres.

3. That this System of Employment Offices be placed under a Provincial Commission, composed of not more than eight (8) members, of whom two (2) shall be women; and upon which workmen and employers shall be fairly represented; that the members be paid their travelling expenses, and work without salary; and that the Deputy Minister of the Provincial Department of Labour be Chairman of such Commission.

4. That the Provincial Labour Commission shall have absolute power in determining the test through which those to be appointed to positions in connection with Employment Bureaux must pass; the selection of those to be appointed and their promotion.

5. That the control and inspection of Private Employment Agencies under the Laws of the Province of Ontario, and orders enforcing them, be given to the Provincial Labour Commission.

6. That the system of Employment Bureaux be managed by the Provincial Labour Commission through a Director with practical knowledge and understanding of the problems connected with employment, whose chief duty shall be to supervise the work of his staff and to develop new methods of dealing with the problem; the Director to be Secretary of the Provincial Labour Commission without a seat on the Commission.

7. That the Director shall have associated with him as Assistant a woman of training and ability who will act as Assistant Secretary to the Provincial Labour Commission, her chief duties to be the inspection of the Women's Department of the Employment Bureaux, and the study of employment for women.

8. That with each Local Employment Bureau shall be associated a small Advisory Committee appointed by the Provincial Labour Commission.

9. That the local Advisory Committee shall have such power as may be determined from time to time by the Provincial Commission.

10. That in such Employment Bureaux as the Provincial Labour Commission shall decide, separate departments for men, women and juvenile workers be maintained.

11. That representation be given to women on the Local Advisory Committees.

12. That the Employment Bureaux, in all cases of strikes or lockouts, remain neutral and notify applicants for work at the Employment Bureau, when such strikes and lockouts are in progress.

13. That, if possible, privileges be secured from the Dominion Government to enable workers living at a distance from an Employment Bureau to make application for employment at any Post Office, and mailing the same, free of charge, to the nearest Bureau.

14. That the Provincial Labour Commission shall have the power to require from employers and workmen such reports as they deem necessary.

PART II.

RELATION OF EMPLOYMENT TO THE SCHOOLS.

The Commission are satisfied that much unemployment occurs in the transition from the school to paid employment. Almost unsupervised, boys and girls drift in and out of occupations, for which they find themselves unsuited. Nor does this ill-effect terminate with adolescence. After several years of work, without educative value, or prospect of permanent employment, numbers are left untrained and unemployed. They naturally drift into the ranks of unskilled labour, and at best have a precarious livelihood.

Unemployment among adults is due not only to causes beyond the control of individuals, but also to defects of character. *Whatever the school can do, to prevent the development of those defects, will directly lessen unemployment, of the kind that is most difficult to handle.*

It must be remembered that most children leave the school at the age of fourteen. Real mental awakening seldom occurs until afterwards. An added year of education, given partly to academic work and partly to manual or trade training, would prove of incalculable advantage. Through this added year aptitude might be discovered and capacity for self-support ensured in a way not possible when the child leaves school at fourteen and begins work without special training. The Department of Education has shown itself alive to the great need of instruction for young people in industrial, agricultural and household occupations. Arrangements have also been made for raising the school age to fifteen in localities which recognize the increase in efficiency thus to be secured. But even these provisions have not kept pace with the changing industrial system. There is need for further decided action.

AMENDMENTS TO THE DEPARTMENT OF EDUCATION ACT.

A. Your Commissioners, therefore respectfully recommend that the Act regulating attendance at school, subject to the provisions of the Truancy Act, 9 Edward VII, Chap. 92, be amended in these respects:—

1. To require all primary schools supported by the public funds to provide within a limited time facilities for domestic and manual or agricultural instruction;
2. To raise the school age, so as to leave with the parent the choice either,
 - (a) of leaving the child in school until the fifteenth birthday, or
 - (b) of placing the child in an Industrial, Agricultural or Domestic School from the fourteenth to the fifteenth birthday, or
 - (c) of removing the child from school at the present school age, for an industrial, agricultural or domestic pursuit, to be combined with part-time industrial, agricultural or domestic instruction until the sixteenth birthday.

CONNECTION OF THE NEW DEPARTMENT AND THE SCHOOLS.

B. The Juvenile Departments of the Local Employment Bureaux should be placed in charge of a second Assistant Director, with whom may be associated one or more investigators to prepare vocational information.

In order that parents and children may fully realize the need of additional training, and lest the drifting of children from job to job destroy the result of this extended education, it is desirable that some permanent agency be formed to connect the schools with the life work of pupils and by personal influence to supplement this vocational information. It is essential, therefore, that Vocational Guidance should be made a part of the School System of Ontario, under the Department of Education. To this end, your Commissioners respectfully recommend that the Educational Authorities be given power to establish:—

1. In the country, Committees to study and promote country employments with a view to finding occupation for young people in the country, and for the extension of manual, domestic and agricultural instruction in the schools of the district;
2. In the cities and towns, Committees to assist in advising children as to choice of occupation and the need of further training for their work.

The Committees referred to should co-operate with the Assistant Director in the organization and management of the Juvenile Department of the Local Employment Bureau.

While the initiative should rest in every case with the Education Authorities there will be places in which these Authorities neglect to use their power. In such cases power should reside with the Director of Employment Bureaux to establish such an organization as circumstances may demand.

PART III.

INSURANCE AGAINST UNEMPLOYMENT.

Unemployment which is due to personal defects calls for special reference and will be the subject of a later report of the Commission. For unemployment resulting from the fluctuation or the temporary dislocation of business, working-men are not, however, responsible. The extent of this fluctuation in 1913 and 1914 has been the subject of a special enquiry. It was found that the average number continuously employed during 1913 by 651 manufacturing establishments

was 78,077. During 1914 this number was reduced by 14 per cent. Applying the same measurement to all industrial operatives in Ontario, as shown by the census returns of 1910 (without including the increased number employed in the intervening years and making all necessary deductions) it is found that the extent of industrial unemployment during 1914 equalled the full working time of at least 20,000 persons. This does not mean that the number stated was continuously out of work, but from the information obtained it would appear that the average period of unemployment (1914) for not less than 70,000 industrial operatives was about 15 weeks.

Working men engaged in strictly seasonal employment are not included in these figures. The number of these is not available but is known to be large. Their period of unemployment in 1914 is indicated by returns from the Building Trades, secured by the Ontario Bureau of Labour, in which the average number of "days idle" is estimated at 83. While in these trades a considerable period of idleness is, to some extent, provided for in the rate of wages, this is not generally the case in the manufacturing occupations of the Province.

To meet the conditions referred to, your Commissioners are of the opinion that some form of unemployment insurance is desirable in the interest alike of the workmen and of the municipalities affected.

Representations have been made to the Commission in favour of compulsory governmental insurance. But in this Province such a system will not be possible for some years, as there are no reliable statistics upon which to calculate the risks of unemployment. So far compulsory insurance has been adopted on a considerable scale only by the British Government. The calculation of risks was based, in England, on statistical data, furnished by the Labour Unions and extending over sixty years.

Denmark and France, unable to maintain a compulsory governmental scheme, have adopted other methods. Using that instinct of self-help which sometimes leads the best paid workmen to provide their own insurance, they give state subsidies to societies giving unemployment benefits. These subsidies make insurance possible on a scale far greater than otherwise would be the case. As a financial safeguard, certain limitations of benefit are required. These limitations may be made less stringent as more information accumulates. Each extension, of course, increases the protection afforded by the system.

While it is not yet possible to provide for this Province anything so comprehensive as the British scheme of insurance, it is possible and desirable to establish a partial system by co-operation with associations of workmen.

RECOMMENDATIONS DEALING WITH INSURANCE.

Your Commissioners therefore, respectfully recommend:

1. That financial assistance be given by the Government of Ontario to those voluntary associations of workmen which undertake to provide Unemployment Benefits for their members.
2. That the assistance to such associations equal 20 per cent. of the sums disbursed by them in Unemployment Benefits, under regulations approved by the Provincial Actuary and sanctioned by the Lieutenant-Governor in Council.
3. That the collection of statistics relating to the causes and risks of unemployment be entrusted to the Department of Labour recommended in Part I of this report.

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